

National Life Insurance Co.,

ORGANIZED 1850.

Home Office, MONTPELIER, VT.

Last year the National Life Insurance Company celebrated in appropriate manner the semi-centennial of its incorporation, holding at that time a family gathering of its forces at the home office and instituting in some fashion a proto type of Old Home Week in Vermont.

It has been suggested that an institution is an incorporated individual in the abstract, having the elements of continuance more than a mere man and at the same time higher and more enduring powers than the average man of all time. Thus it comes to pass that the National Life, for more than fifty years a part of the life and history of the capital, today stands stronger and bigger and more useful and vastly better known, although so many prominent men of Vermont who helped to build it have gone to their long rest.

The second president of the company, Mr. Charles Dewey, continues daily to counsel with its committee on Finance, although more than fifty years of work for the National have passed over his head. The well known president of the

and discharging it is now universally recognized and admitted. It was this idea that took hold of Dr. Dewey and interested him in a life charter. It was the same concept that finally led the legislature of Vermont to grant him and his associates the first life charter ever issued by the state and this idea has been at the bottom of every form of work since undertaken by the company and is today. Men may be induced—they frequently are in our present commercial life—to buy policies of life insurance because it promotes their credit, because it affords a basis for collateral security, but, more than all else, the actuating cause which leads to the purchase of by far the greater part of all insurance sold is the conviction that it takes care of the individual and of the home.

Of course statistics are dry reading but they are the sole means by which the work of an institution like the National can be measured and its contributions to the uses of society or to the citizens of the state determined. If no account be made at all of the educational value of the life office inculcating benevo-



OSMAN D. CLARK, SECRETARY.



JAMES C. HOUGHTON, PRESIDENT.

old Vermont Mutual Fire Insurance Company, Col. Fred E. Smith, may be daily met at its meetings, although his connection runs back to old war days, and when the directory sits, as it does every three months, men like Gen. John G. McCullough, Senator William F. Dillingham, ex-Congressman Denison, Col. George C. Benedict, W. Seward Webb and James T. Phelps, familiar figures to the citizens of this state, still guide its affairs.

But the first president, the ubiquitous and sagacious founder, Dr. Julius V. Dewey, has long slept in Green Mount cemetery and the stamp of his name is no longer heard in that first small office, which has also disappeared and which, were it here today, could hardly hold the literature of the company for a single year.

So too, George Reed is missed from the quaint secretary's table and his flower garden, and but lately Edward Dewey, who for years carried the company's

lance and thrift and in fostering independence and self-respect, it is still necessary to reckon with it from a purely economic point of view.

Well, then, passing over the first forty years altogether and considering only the last ten, it appears that the National Life paid death claims in Vermont of over four hundred and sixty-four thousand dollars, surrendered values of over one hundred and sixty-eight thousand dollars, mutual life endowments, dividends and life annuities of over two hundred and sixty-eight thousand dollars, making a total sum paid to citizens of this state of over nine hundred thousand dollars, while its new business during that period on Vermont lives equaled four millions of dollars, or about one-sixth of the total business written by all Vermont life insurance companies doing business in the state. Suppose this be the sole test applied. Then the conclusion is that it explains how the com-

pany is to be remarked. The company not only has over one hundred millions in force but twenty millions in actually invested funds, while its benefits now extend to at least a quarter of a million people. Its average daily writing of new insurance amounts to about sixty thousand dollars and, besides this, its record as the volume of transactions to a more comprehensive statement, it may be said that its average income will soon be twenty thousand dollars a day and that one-half of this amount will go into increased assets to be hereafter distributed to policyholders in all the varied forms of benefits in which the company deals.

This sentence, which is the motto of the company, is a fair statement of the possibilities of a mutual organization among people living in practically all the states of the union for the purpose of self-protection, for the welfare of dependents and for the preservation of the home. The wonder of it all is, not least, that these forms of work which the National represents in Ver-

mont is admirably prepared to take special care of particular emergencies. Among these may be mentioned the provision of a continuous large income during the lifetime of the annuitant, of an annuity running to both husband and wife during the continuance of either life, of a life income deferred to some future year and guaranteeing an independent old age, of a life income to a child, beginning on the death of a parent, of a provision for the payment to a son, during the years of his professional education, of an annual sum sufficient to meet his expenses, and of incomes to beneficiaries on the death of the insured, arranged by the latter and paid by the company as a trustee, insuring absolutely his original design for their protection. In short, the National Life has so promptly but conservatively applied to its business the knowledge developed by experience that it stands ready to entertain practically any reasonable proposition involving the contingency of life

sum of these two is the surplus of the company.

For the year ending December 31, 1900 the National Life issued to its membership the following statement:

ASSETS.	
Bonds and stocks	\$7,454,000.00
Mortgages	6,288,004.19
Policy loans	2,695,803.70
Real estate	1,819,450.22
Collateral loans	34,750.00
Interests accrued and due	877,834.92
Deferred premiums	505,291.82
Cash on hand	724,164.64
Total assets	\$19,900,890.10
LIABILITIES.	
Policy reserves	\$17,000,149.87
Annuity reserves	243,335.95
Life rate endowment reserves	339,735.84
Trust Fund Reserves	52,033.38
Other liability	160,530.17
Surplus	2,000,064.89
Total liabilities	\$19,900,890.10

The total outstanding insurance on July 1, 1901 amounted to \$102,536,077.14; its issue for the six months being over eight millions.

HISTORIC NOTES.

Back in the fifties the rule among the American life insurance companies was that policies should become void without return of value if the premium was not paid, when due. The National Life always recognized a member's equity in the policy reserve, passing a by-law as early as 1856 to the effect that all policies completing three premium payments should be entitled to receive an equitable cash value. This rule has been followed for fifty years.

When war was declared with Spain the National promptly took the position that all those policyholders, irrespective of



JAMES B. ESTEE, SUPT. OF AGENCY.

administration of a modern life company. Perhaps no single fact about the company will secure greater attention from the public than the fact of its mortality experience. The business of a life company is to insure lives, and of a mutual company to do so without discrimination so far as the art and science of insuring life admits. It therefore seeks unimpaired and healthy lives only and also limits the ages at which risks may be assumed. This phase of the work is assigned to medical selection.

The National Life during the past ten years has averaged an actual to expected or assumed mortality of only 65 per cent, an exceedingly low mortality, evidencing very successful work.

Last December, which closed the company's semi-centennial year, was the most remarkable four weeks' business experience in its history. There were 169 policies issued, insuring \$100,000, or an average of 28 policies, amounting to \$200,000, for each working day. The demand then placed upon the office force was certainly three times as great as the customary work entails. This magnificent business, however, was handled without error or confusion and all accounts were promptly settled and balanced at the close of the year, according to the rule.

The tabulated interest earnings for twenty-seven companies were one-tenth of one per cent lower in 1900 than in 1899. The rate tendency for all kinds of long term trust funds has been downward for many years, now causing many of the most conservative underwriters to reserve on a basis of 3 per cent. According to tables published by The Spectator, the rate of interest earned on mean invested funds by the foregoing companies was 4.69 per cent. It credits the National with a rate of 5.31 per cent, a most excellent showing, with one exception the highest rate in the table.

James T. Phelps of Boston once asked the question, "Do women like insurance?" and it was answered that "widows do." This is very true but it also becomes the popular and discreet thing for women to like insurance, for their own account and to see to it personally that they have it. The National insures them without discrimination of rate, form or amount on the same terms on which it accepts men. Usually women buy endowments because these provide for advancing age. On the 1st of July, 1901, the company had outstanding on female lives 287 policies, insuring \$1,038,337, an example of high grade provision.

An objection to life insurance used to exist on this wise, that the benefits provided by the dead were too frequently dissipated in a short time by the improvidence of the beneficiaries or through the mistakes of bad investments. Progress in experience has cured this objection, so that it is now possible for the insured, if he desires, to appoint the company a trustee to pay the proceeds in such amounts and in such time as he may direct.

The National Life incorporates this option in all its policies, allowing three per cent compound interest on unpaid balances. It is the perfection of the policyholder's intent.

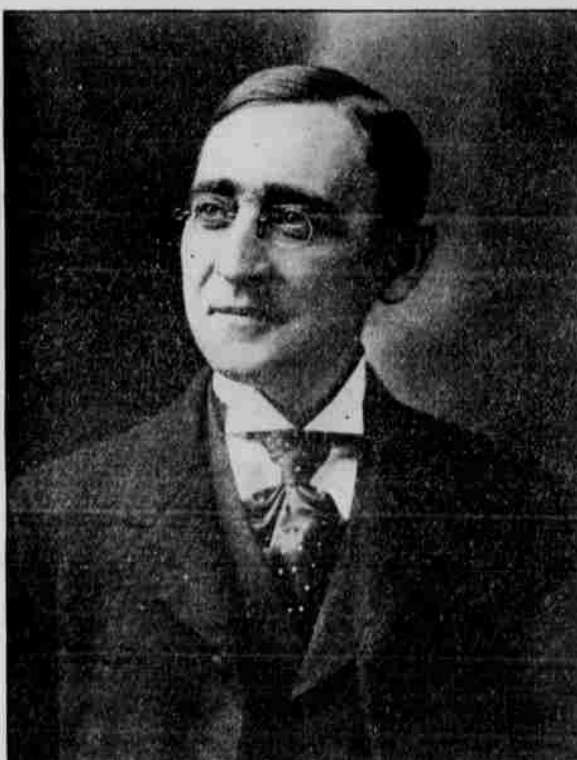
In its issue of June 6, 1901, The Spectator, published in New York and one of its leading authorities on life insurance statistics, printed a table, showing the combined death and expense outgo on each one thousand dollars of mean insurance in force for the twenty years ending with 1900. It included twenty-eight of the leading American life companies. The figures given for the National Life were \$20.30 per \$1000 and the average for all the companies, \$23.50 per \$1000. The National's average for twenty years was identical with its experience for the year 1900, namely, \$20.30. This represents good economic results.

GENERAL AGENTS, VERMONT.

Correspondence on all subjects relative to life insurance, endowments and life annuities will be promptly and fully considered by the company or by any of its general agents and managers. The addresses of the general agents for Vermont are as follows: S. S. Ballard, Montpelier, Vt.; T. S. Peck, Burlington, Vt.; W. A. Sprague, St. Johnsbury, Vt.; E. S. Kinsley, Rutland, Vt.; R. W. Hubbard, Hyde Park, Vt.; H. E. Taylor & Son, Brattleboro, Vt.; Home Office, Montpelier, Vt.



NATIONAL LIFE INSURANCE COMPANY'S BUILDING.



J. A. DE BOER, VICE PRESIDENT.

records as easily in his head as on the books, laid down his task.

And what a long line of directors are recalled in connection with this single institution during Old Home Week which tends to inspire memories of this kind—the judicious Veazey, the wise and sagacious Dillingham, the bluff and decisive Pitkin, the open-hearted Bingham, the cautious Redfield, the far-seeing Heaton, Collamer, the senator, Eastman, the poet, honest John Page, the careful Thurston, the brilliant Billings, the genial Skibin, the sturdy Fuller, and, for some of the earlier years, that extraordinary man, Daniel Baldwin, on whose life the first policy of the company was issued. Even these few names out of a long list serve to show how long and how large a part of the commercial and financial history in this state has been the part of the National Life and to point out the place which it must naturally take in any occasion, devoted to old times, old faces, old friends and former works.

It may be asked possibly why a life insurance company is interested in a celebration like that of Old Home Week. Because the occasion contributes to the preservation and extension of sentiments which the work of every life insurance company seeks to meet, to foster and conserve. Prominently identified with every conception of life insurance is the idea that it takes care of the individual and of the home and its appeal for support and patronage is daily answered because its capacity of insuring that care

pany receives the home patronage in its own state.

There is another feature of the business, however, in which the people of the state will be interested, namely, that the National Life has consistently and persistently exhibited profound and absolute confidence in the resources of Vermont and has contributed, at least in some degree, to enhancing and maintaining credits in the state. It is not commonly known that the company holds investments in every county, municipal bonds of over a million and three-quarters, mortgages of over seven hundred and sixty-eight thousand dollars, real estate of over one hundred and forty-three thousand dollars, or total investments, not counting accommodations to its own policyholders in large amount, of over two million and eighty-seven thousand dollars. This large amount today invested in the state actually exceeds the total assets which the company had at the close of 1886. In other words, the National's investments in Vermont alone today exceed all the assets which it had acquired during the first thirty years of its corporate existence. This, it will be remarked, indicates great progress and prosperity. So it does but by no means clearly as do certain other considerations equally interesting and important to the business interests of the state.

Passing over the fact that the National wrote more insurance last year than it did during the first thirty years of its history taken all together, the following



H. M. CUTLER, TREASURER.

not proceed quietly without other response and that what is furnished by the policyholders, to whom, in turn, the entire assets of the company belong and by which it is governed and controlled.

Not the least interesting thing about the National Life is the fact that its business has progressed from the "assuring of lives on the best known plans of life, term, and endowment insurance to the acceptance of innumerable special propositions in life annuities, installment benefits and deferred trusts. The great bulk of its business is still being done, and probably always will be, in policies which have received the approval of half a century's experience, the ordinary life, the twenty payment life and the twenty-year endowment policies. These forms have proved to be, beyond all question or cavil, peculiarly well adapted to the wants of the average man. Of late years, however, there has sprung up a demand for other forms of life benefits, a demand fostered by the growing recognition that

or death. It is chartered for this purpose and its aim is to give protection, always of the highest quality at the lowest possible cost.

THE DIRECTORY OF THE COMPANY. The following gentlemen constitute the present directory of the National Life: Charles Dewey, Dudley C. Denison, Fred E. Smith, James C. Houghton, James T. Phelps, George Briggs, George G. Benedict, William F. Dillingham, W. Seward Webb, Joseph A. De Boer, John G. McCullough, Harry M. Cutler, James B. Estee.

LAST ANNUAL BALANCE SHEET.

By a balance sheet in life insurance is meant a carefully prepared statement of the resources and investments of the company, their kind and value. It also contains a detailed statement of the company's obligations and the present value of its outstanding promises on policyholders' account, as required by the law of the state. The difference between the

policy terms, who desired to actively engage in military or naval service should be allowed to do so without prejudice to their policies and without extra charge. Permits to that effect were freely issued on demand. This course, while liberal, proven to be sound judgment, as the experience was satisfactory. The few deaths occurring among soldiers were from natural causes only.

Most insurance is written after solicitation. It does not place itself. This compels the company to prepare and distribute a great deal of advertising matter with a view to educating and influencing patronage. The amount of "literature" employed, clubs to propositions seldom realized by the layman and it includes every variety and form of composition and style, from a snub comparison to a carefully prepared analysis of the mathematical assumptions of the business.

Investments in annuities or the purchase of life estates has been popular in Europe for many years because they obtain for small sums invested large, regular and sure returns. At older ages, particularly, is this very true. As one old lady expressed it, after drawing on the company for \$200: "In all my life I never quite found anything so comforting as this."

The National now issues annuities of every form at satisfactory rates and has received within the last two years, on their account the sum of \$433,684.36. There is no better or safer investment.

It is difficult to realize, looking at the home office in its quiet town, that the business of the company is distributed over thirty-three states. This, however, is the case. Its fifty-five officers and employees take care of and record the labors of four hundred active solicitors, while the work of medical selection is performed by over four thousand medical examiners, under the advice and instruction of the medical director. This makes no account, as yet, of the large body of men,



C. E. MOULTON, ASST. TREASURER.